

Downer Avenue Commercial Corridor

Department of City Development
City of Milwaukee
April 29, 2015



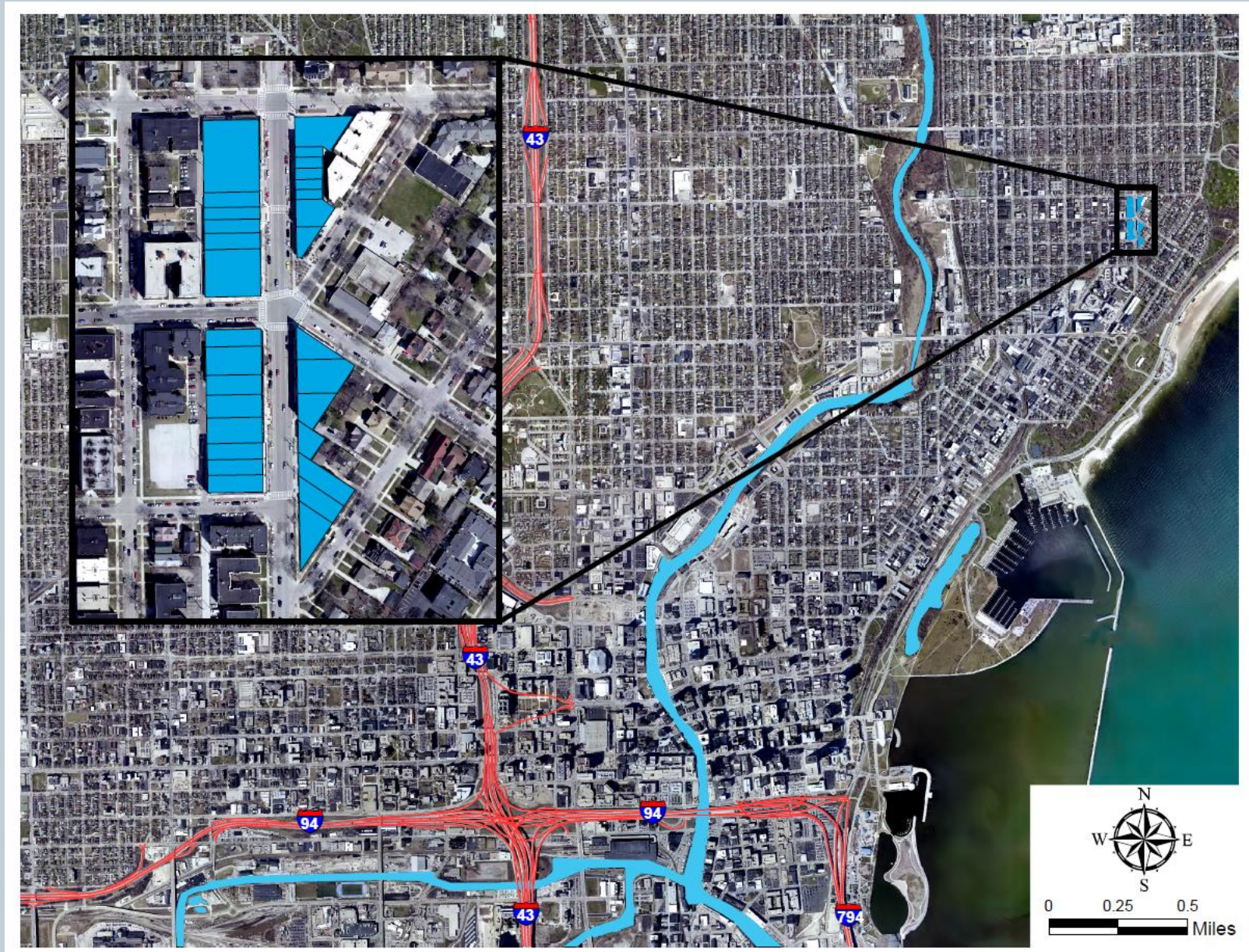
Meeting Agenda:

I.
Commercial Corridor Overview
Demographics
Retail Conditions
Planning and Zoning
City Resource Tool Box
(25 Minutes)

II.
Questions
(15-20 Minutes)

III.
Discussion
(45 minutes)

Downer Avenue Area Overview



Historic Downer Avenue Retail District

One of city's best preserved early Twentieth Century neighborhood commercial districts:

- Architecturally significant buildings
- Local historic district designation
- Wide variety of shops and services
- Many locally owned businesses
- Independent theater with vintage marquee
- Desirable business mix
- Community oriented gathering spaces



Background (why do a snapshot?)



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Foreclosures put Downer Ave. development in limbo

Land and Space: Downer Ave. foreclosure auction

The buildings which house Downer Theatre, Boswell Book Company and other well-known Downer Avenue businesses are facing an uncertain future, with a foreclosure auction looming.

By Tom Daykin of the Journal Sentinel Feb. 14, 2015

Tweet 4 in SHARE EMAIL PRINT (8) COMMENTS

Uncertain future

Buildings making up much of the Downer Ave. business district face an uncertain future.

The buildings that house Downer Theatre, Boswell Book Co. and other well-known Downer Ave. businesses face an uncertain future, with a foreclosure auction looming.

One auction bidder could be an investor from those properties' current owner, which owes more than \$10 million in overdue loans. That group's leader, developer Joel Lee, controls other nearby properties, including

Corridor Snapshot Scope

The Downer Avenue Commercial Corridor Snapshot will serve as a tool that can be used by residents and business owners, both current and future, to provide a streamlined profile of the district, a summary of City resources available to support investment in this commercial corridor, and a reference point laying out the goals of the community for the future of Downer Avenue.

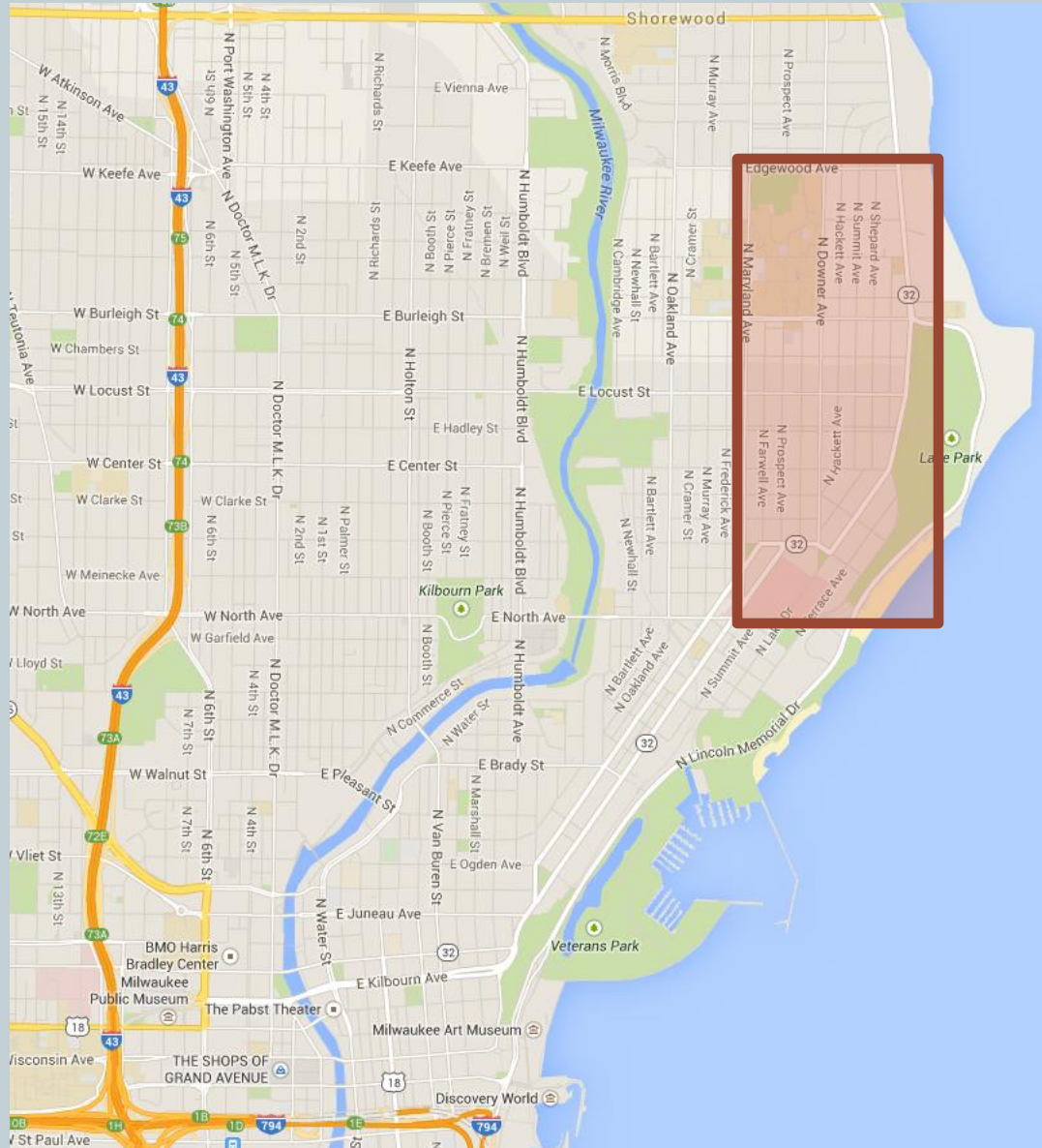


Process / Timeline

1. Information Gathering / Synthesizing (March - April 2015)
2. Public Participation (April 2015)
3. Draft Document (May 2015)
4. Public Review / Feedback (May - June 2015)
5. Revisions (May - June 2015)
6. Release Corridor Snapshot (June 2015)
7. Snapshot guides City and partner efforts moving forward



Demographic Information



Demographic Information

SEX AND AGE ¹	POPULATION	% OF TOTAL	CITY AVG.
Total population	9,370	--	--
Male	4,777	51.0%	47.9%
Female	4,593	49.0%	52.1%
Under 5 years	221	2.4%	8.0%
5 to 9 years	203	2.2%	7.4%
10 to 14 years	223	2.4%	7.2%
15 to 19 years	2,001	21.4%	8.1%
20 to 24 years	2,227	23.8%	9.3%
25 to 34 years	1,494	15.9%	16.6%
35 to 44 years	647	6.9%	12.5%
45 to 54 years	615	6.6%	12.1%
55 to 59 years	440	4.7%	5.5%
60 to 64 years	335	3.6%	4.2%
65 to 74 years	406	4.3%	4.6%
75 to 84 years	359	3.8%	3.1%
85 years and over	199	2.1%	1.4%
Median age	27.1	-	30.6

Overall population stable, but % 25 years and older decreased 8.2% between 2000-2010.

Demographic Information

RACE AND ETHNICITY¹	POPULATION	% OF TOTAL	CITY AVG.
White	8,019	85.6%	37.0%
Black or African American	516	5.5%	38.9%
Hispanic or Latino (of any race)	442	4.7%	17.3%
American Indian and Alaska	11	0.1%	0.4%
Asian alone	285	3.0%	3.6%
Native Hawaiian/Pacific Islander	0	0.0%	0.0%
Some other race	0	0.0%	0.1%
Two or more races	97	1.0%	2.6%
SCHOOL ENROLLMENT¹	POPULATION	% OF TOTAL	CITY AVG.
Population 3 years and over	4,754	--	--
Nursery school, preschool	60	1.3%	2.8%
Kindergarten	30	0.6%	8.8%
Elementary school (grades 1-8)	353	7.4%	37.0%
High school (grades 9-12)	168	3.5%	19.4%
College or graduate school	4,143	87.1%	31.9%

Source: Census Bureau 2009-2013 American Community Survey 5-year estimates, tracts 74, 75, 76

Demographic Information

EDUCATIONAL ATTAINMENT ¹	POPULATION	% OF TOTAL	CITY AVG.
Population 25 years and over	4,495	48.0%	60.0%
Less than 9th grade	63	1.4%	7.0%
9th to 12th grade, no diploma	54	1.2%	11.8%
High school graduate (or	454	10.1%	30.7%
Some college, no degree	717	16.0%	21.8%
Associate's degree	187	4.2%	6.5%
Bachelor's degree	1,486	33.1%	14.5%
Graduate or professional degree	1,534	34.1%	7.6%
HOUSEHOLDS BY TYPE ¹	POPULATION	% OF TOTAL	CITY AVG.
Total households	3,114	-	-
Family households (families)	1,141	36.6%	56.0%
With own children under 18 years	401	12.9%	29.8%
Married-couple family	936	30.1%	28.0%
With own children under 18	330	10.6%	12.0%
Female, no husband present	121	3.9%	22.0%
With own children under 18	43	1.4%	14.5%
Nonfamily households	1,973	63.4%	44.0%
Householder living alone	1,073	34.5%	35.0%
65 years and over	327	10.5%	8.5%
Average household size	2.5	-	2.5
Average family size	2.8	-	3.4

Source: Census Bureau 2009-2013 American Community Survey 5-year estimates, tracts 74, 75, 76

Retail Market Characteristics

	Convenience Market*	City of Milwaukee
Total Population	64,862	603,748
Total Households	33,171	235,154
Household Size	2.0	2.6
Population Density (per square mile)	12,231	6,233
Median Age	28.5	30.6
Renter Occupied Housing Units	73.0%	57.3%
Employees	45,809	243,956
Average Household Income	\$62,793	\$48,137
Median Household Income	\$38,392	\$34,931
Per Capita Income	\$33,216	\$19,133
Bachelor's Degree or Higher	58.2%	22.1%
Retail Demand	\$573,473,457	\$3,858,775,941
Employee Spending Estimate (Weekly)	\$5,295,520	\$28,201,314

*Includes East Side, Lower East Side, northern portion of Downtown, Brewer's Hill, Riverwest, and southeastern portion of Shorewood

Source: Easy Analytic Software Inc. data, cited in East Side BID Market and Redevelopment Study (2015)

Existing Conditions



Existing Conditions



Existing Conditions



Existing Conditions



Associated Bank
Address:
2590 N Downer Ave

Nail Bar
Address:
2580 N Downer Ave
City Investment:
\$200k (RIF, MEDC Loan)

Vacant
Address:
2570 N Downer Ave

Houses
Address:
2560-2500 N Downer Ave

Prepared by Department of City Development -
Long Range Planning, April 2015



Building Owner: DAPL LLC (Van Buren Management, registered agent)



Comparable Market Review

- Asking lease rates in \$25-30/ per square foot range across comparable East Side market.
- Vacancy rates <10% (not including Downer Ave)
- Downer Ave. first floor retail vacancy rate ~25% (based on street frontage)
- Highest levels of interest across market from restaurant/bars and service oriented businesses.
- Across the area market, there is lower demand from “soft goods” retailers (clothing, footwear, etc.), especially independently owned.
- Upper market tenants’ expectations include long-term leases.



Comparable Market Review

A 2014 survey of 700+ East North Avenue shoppers indicated the following types of business most likely to increase their spending in the district:

1. Specialty foods (prepared or ethnic) – 68%
2. Bakery – 67%
3. Books – 49%
4. Home accessories – 47%
5. Grocer – 46.6%
6. Fine wine and spirits – 46%
7. Shoes – 45%
8. Woman's apparel – 42%
9. Ice cream/candy – 40%
10. Pet supplies – 37%



Comparable Market Review

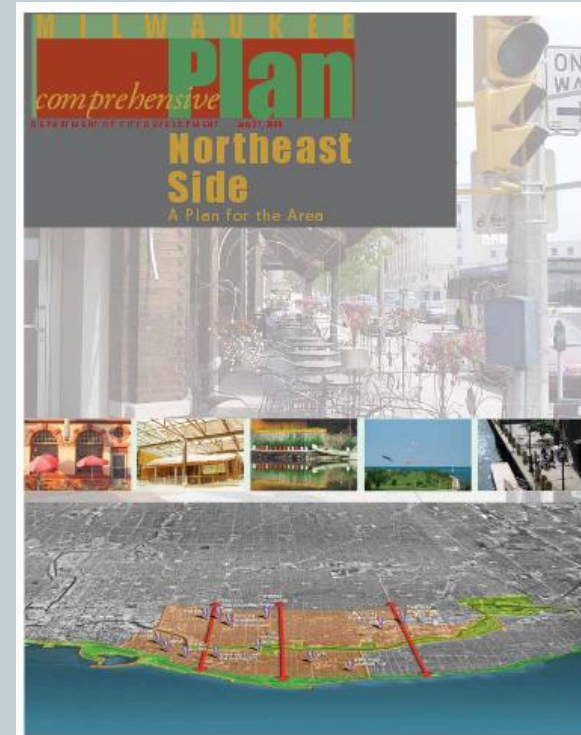
Respondents indicated that the addition of these types of restaurants would increase their spending in the district:

1. Casual dining (75%)
2. White table cloth (53%)
3. Counter service (39%)
4. Pub or bar (29%)
5. Quick service (23%)



Northeast Side Area Plan (2009)

- Preserve and enhance Downer Avenue's pedestrian friendly character
- Revitalize and improve the existing retail environment
- Strategically market the district, encourage a more active street, and improve the appearance of the streetscape and building facades
- Ensure that any new development or businesses will complement the existing historic district with context sensitive building design, appropriate heights and land uses



Local Historic District Designation (2001)

- Historic Preservation Commission review for major and minor changes to the district
- Technical assistance and advice from HPC staff
- Protection of character - Certificate of appropriateness needed for new construction or demolition of buildings
- Certificate of appropriateness needed for existing building alterations and improvements





Local Business (LB2) Zoning

- Residential (single-family and multi-family)
- General retail establishment
- Library
- Cultural institution
- General Office
- Bank or other financial institution
- Artist studio
- Medical office
- Personal service
- Business service
- Laundromat
- Dry cleaning establishment
- Hotel, bed and breakfast
- Tavern
- Restaurant (sit-down or carry-out)
- Theater
- Broadcasting/recording studio



Detailed Planned Development (2007)

- Parking Structure (Completed)
- Hotel
- Condominiums
- Mulkern's Building Addition and Renovations



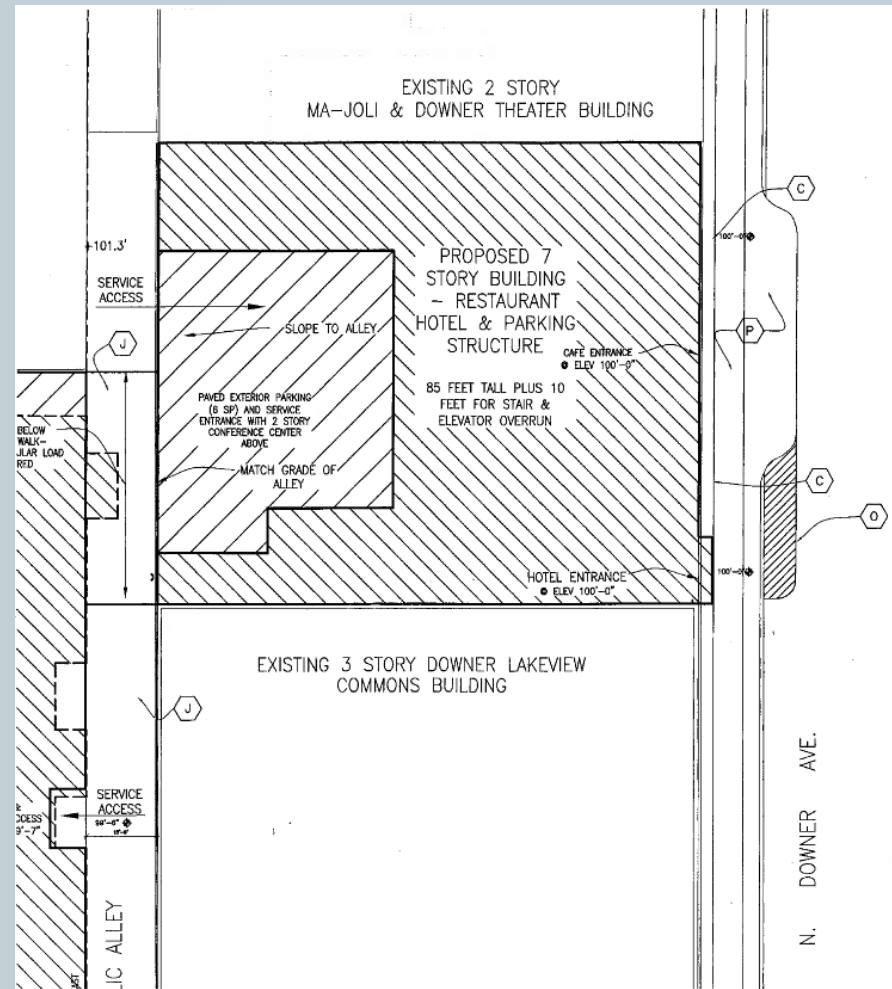
DOWNER AVENUE DEVELOPMENT
PROPOSED CONDO BUILDING

WORKSHOPARCHITECTS

[illegible]

Detailed Planned Development (2007)

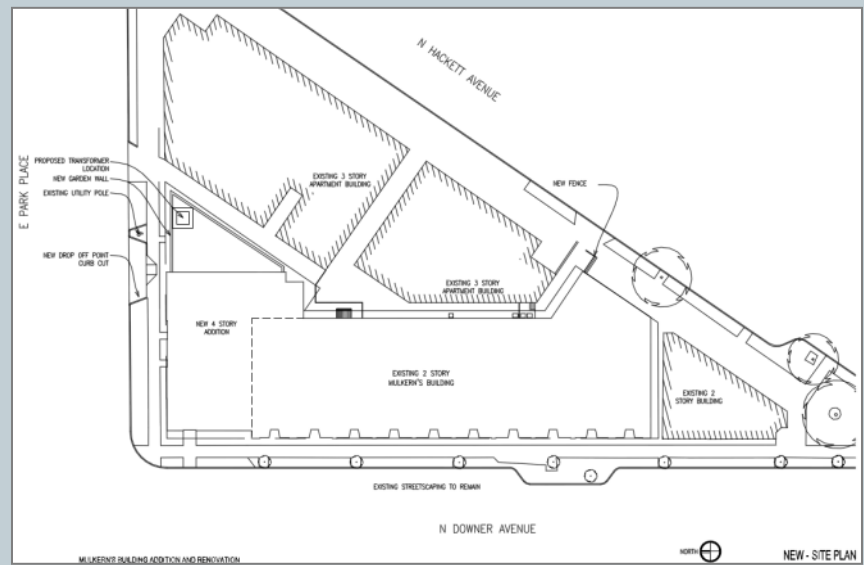
Hotel (72-85 rooms)



Detailed Planned Development (2007)



Mulkern's Building
Addition and
Renovations
(Retail/Office)



City Business Resource Toolbox

- Business Improvement Districts (BIDs)
- Streetscape
- Façade Grants
- Signage Grant
- Whitebox Program
- Retail Investment Fund (RIF)
- MEDC



Business Improvement District (BID)

Defined area where property owners pay an assessment in addition to taxes to fund projects within district boundary



BIDs provide services such as:

- Street cleaning
- District branding
- Special events coordination
- Managing improvements (streetscape enhancements, pedestrian amenities, grants to improve properties in the BID)



Downer Avenue BID

- BID established in 2008
- Seven member board
- Undertook \$600,000 streetscape project 2009
- 2015 budget: \$77,000
 - Staffing
 - Streetscape loan repayment
 - Landscape / streetscape maintenance
 - Holiday lighting
 - Graffiti removal
 - Events (bike race)
 - Marketing

Board Members

Megan Heitke

Wen-Tyan Soo

Michael O'Connor

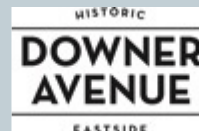
Michael DeMichele

To be confirmed

Eric Wagner



Historic Downer Avenue



Merchants Association

Streetscape



During 2009 Downer Avenue Streetscape project, the BID matched a \$300,000 City grant with a privately funded loan through Legacy Redevelopment Corporation to pay for the \$600,000 streetscaping project.

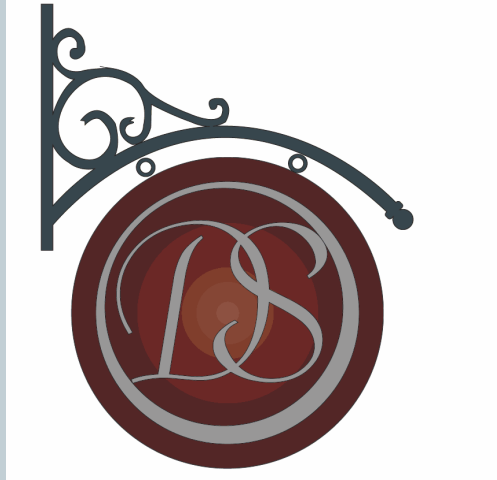


Façade Grants

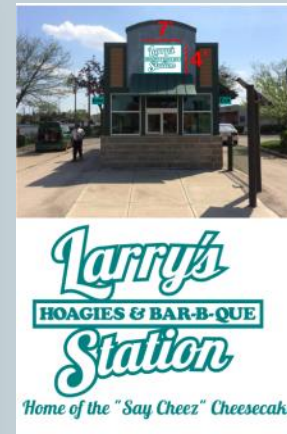
- Commercial property exterior improvements
- Project budget must exceed \$2,000
- Grants up to \$5,000 per storefront
- Windows, doors, awnings, landscaping, painting, asphalt parking
- No reimbursement for work completed prior to approval
- New construction: fencing, signage, awnings and landscaping



Signage Grants



- Project budget must exceed \$2,000
- Grants up to **\$2,500**
- Matching funds requirement
- Internally illuminated box signs not eligible
- Eligible sign types: Sign boards, awnings, display window lettering, hanging signs, transom, neon



Whitebox Program

- Recruitment to vacant commercial / retail space
- Grants up to \$10 per sf, not to exceed 75% of project cost
- Maximum grant \$25,000
- No reimbursement for work completed prior to application approval
- Cannot be used in conjunction with RIF grant
- Eligible expenses include lighting, plumbing, electrical, HVAC, interior walls and ceiling



Retail Investment Fund (RIF)

- Award based on job creation
- For-profit, tax paying business
- Applicant may own or lease
- Reimbursement program covers up to 20% of project costs
- Offers \$5,000 per FTE, or Part-time equivalent, up to \$50,000
- Includes FFE, buildout, startup inventory, A&E



Milwaukee Economic Development Corp.

City-affiliated lender providing assistance to create and retain jobs in the City of Milwaukee.

- Second Mortgage Program
- Capital Access Program
- Venture Debt Program
- SBA Community Advantage



RATES AS LOW AS 2.75%

In 2012 MEDC lent \$16.9 million to Milwaukee businesses that leveraged \$60.7 million of bank financing and equity investment to fund building and equipment purchases. So if your business is expanding and is looking for below market interest rate financing to partner with your bank, call or email a loan officer at MEDC to discuss your project.

Contact John Miller, Delores Clayton or Ali Gould at 414-286-5840 or at www.MEDOnline.com

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www.MEDOnline.com

City Investments 2009-2014

Business	Program	Grant Amount	Loan Amount	
Downer Avenue BID*	Streetscape	\$300,000		
Olive	Façade Grant	\$10,000		
Optix	Façade Grant	\$5,000		
Via (current Bel Air Cantina)	RIF (Retail Investment Fund)	\$19,600		
Pizza Man**	RIF	\$100,000		
Pizza Man	Whitebox	\$50,000		
Pizza Man	Façade Grant	\$5,000		
Sendik's **	RIF	\$84,500		
Sendik's	Whitebox	\$25,000		
Nail Salon	RIF	\$50,000		
Nail Salon	MEDC		\$150,000	
Total		\$649,100	\$150,000	\$799,100

*The Downer Avenue BID secured a matching \$300,000 loan to support the 2009 streetscaping project.

**Special High Impact Project Allocation

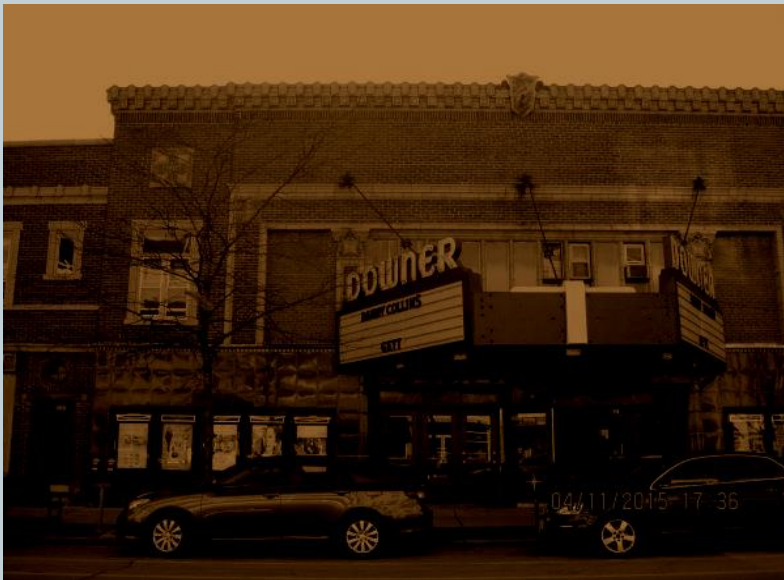
Retaining Anchor Businesses a Priority



Conclusion / Next Steps

- Individuals not able to attend meeting can provide feedback at MySidewalk.com (search for Downer Avenue).
- Neighborhood comments will be incorporated into Snapshot to be released June 2015.
- Department of City Development, Downer BID, and Ald. Kovac's Office continue to work with Downer Ave. property owners, businesses and residents to support this historic retail corridor utilizing the Snapshot as a touchstone to guide actions.





Questions?

Neighborhood Vision for Downer Ave.

1. What should Downer Avenue look like in **two years**?
2. What should Downer Avenue look like in **ten years**?
3. What 3-5 stores/businesses would best complement the existing retailers on Downer Avenue and encourage you to make additional purchases on Downer Avenue? (Types or specific businesses)



Tax Incremental Financing (TIF)

Generally used for:

- Infrastructure
- Environmental/blight cleanup
- Job retention/creation in manufacturing and professional service sectors













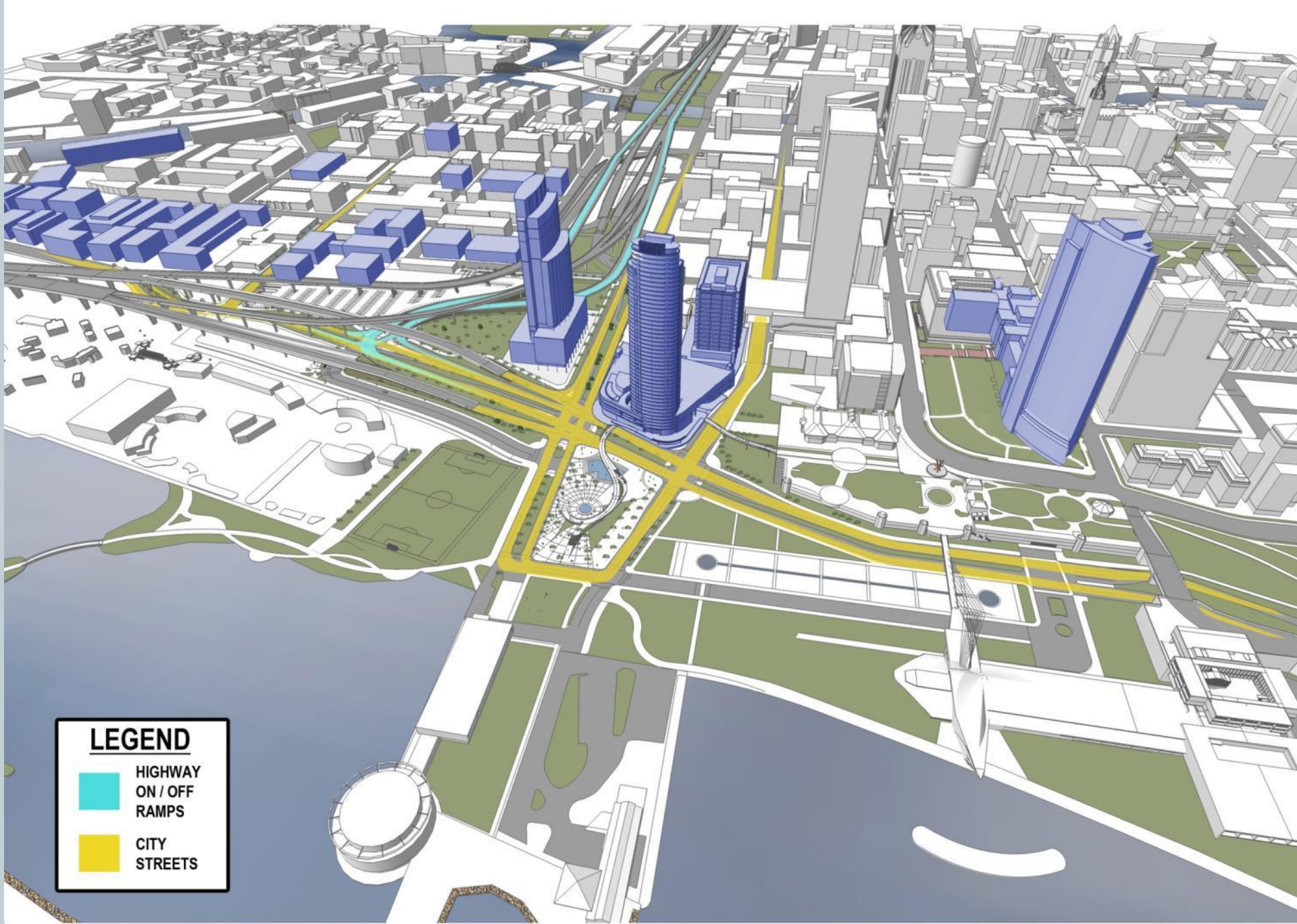








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LEGEND

-  HIGHWAY
ON / OFF
RAMPS
-  CITY
STREETS



City of
Milwaukee
NO PARKING
2AM TO 6AM
ON ANY STREET WITHOUT
POLICE PERMIT
EXCEPT PARKING AND LOADING
UNLESS OTHERWISE INDICATED
BY A SIGN OR SIGNAGE

NO
PARKING
ANYTIME





M i Milwaukee Road Shops Site



October 2004



October 2014















Recent non-TIF Financed Development



Recent non-TIF Financed Development

